CENTRAL INTELLIGENCE AGENCY

REPORT NO. [redacted]

INFORMATION REPORT

CD NO. 25X1A

COUNTRY	Germany (Russian Zone)	DATE DISTR.	22 SEPT 49
SUBJECT	Steel Production and Requirements in the Russian Zone	NO. OF PAGES	3
PLACE ACQUIRED	25X1A [redacted]	NO. OF ENCLS. (LISTED BELOW)	
DATE OF INFO.	[redacted] 25X1A	SUPPLEMENT TO REPORT NO.	25X1X

[redacted]

1. The following information is a translation of an analysis of the 1949 steel situation in the Soviet Zone, prepared by the Main Administration for Metallurgy, Main Division Iron Industry, of the DWK. Although the analysis was made over three months ago, it may still be considered valid, in view of the forecasts made in the text.

Main Administration, Metallurgy
Main Division, Iron Industry

Berlin, 22/4/49

Steel Balance Analysis for 1949

About 465,000 tons of raw steel can be expected for the year 1949. Included in this figure isthe extra production of 17,000 tons of electro-steel a year, which corresponds to an electro-steel production at Maximilianshütte of 3,500 tons monthly.

On the other side of the balance sheet is a consumption of:

94,000 tons	Iron slabs for thick sheet iron (Brammen für Grobblech)
6,000 tons	Pigs (Blöckchen) for Gröditz
365,000 tons	Semi-finished for further rolling
Total 465,000 tons	

Of the semi-finished products, Maxhütte is responsible for about 265,000 tons, Hennigsdorf for 100,000 tons; although the goal of 100,000 tons is high for the trio mill (Triostrasse) at Hennigsdorf, we can count on overproduction at Maxhütte. The necessary steel for that will come from overproduction of Thomas Steel at Maxhütte, Siemens-Martin steel at Gröditz, and electro-steel iron.

According to plan the duo mill (Duostrasse) of Maxhütte is to produce 29,500 tons of metal sheets (Platinen), which are to be divided among the plants at Aue, Olbernhau, and Ilsenburg (medium iron sheet). The sheets needed for Hettstedt (Order No. 21) must come from excess production. Small quantities of metal sheets, which are shipped from Thale for the manufacture of dynamo sheets, must be returned to Thale in about equal amounts of normal quality. Likewise, the need of the HV Maschinenbau must be covered from excess production. The plan at Maxhütte provides for 45,800 tons of billets (Knüppel),

which are to be divided as follows:

Kabelwerk Oberspree	22,000 tons
Tube billets (Rohrknüppel) for the Riesa tube rolling mill (only large sizes)	4,200 tons
PressWerk Maxhütte and Ilsenburg	7,500 tons
Hoffmann & Moitz, January to May - after May from SWH (Stahlwerk Hennigsdorf)	5,500 tons
Hennigsdorf - 1st quarter, single roller	6,600 tons

For small sizes SWH delivers from the single roller tube billets (Rohrknüppel), which are counted for the production of round steel over 60 mm.

In addition, overproduction must cover:

a. About 7,300 tons of billets for Hennigsdorf (this need arises from the stoppage of production of the trio mill in Hennigsdorf).

b. For Polish export - 5,000 tons of billets (Knüppel).

c. The requirements for the forge and pressing mill of the HV Maschinenbau, HV Kohle, and SAG's.

It is assumed that the duo mill (Duostrasse) and the blooming mill of Maxhütte are capable of producing this amount, while for the Provisen which must be milled at the trio mill (55,000 tons of semi-finished products (Halbzeug) which correspond to 50,000 tons of finished products), great efforts must be made in order to reduce the frequent trouble periods so that the plan can be fulfilled also in regard to a full assortment.

The production plan for Hennigsdorf provides for a total production of 105,000 tons, of which 17,300 tons are billets (Knüppel) and 87,700 tons are finished products equal to about 96,600 tons of semi-finished products. Of that Maxhütte delivers:

6,600 tons for the single roller during the first quarter, and
7,300 tons up to the period of resumption of its own billet production at the trio mill.

The rest of the 82,700 tons for Hennigsdorf's own production from May to December comes from the SWH trio mill. Of the 17,300 tons of billets and merchandise from Hennigsdorf, Hoffmann & Moitz is to receive from May up to December 7,700 tons, and in addition Hennigsdorf must provide 8,800 tons to cover the needs at the Kirchmoser sheet mill (Feinstrasse). The remainder or a quantity eventually to be available from excess production can be used to cover the needs of HV Maschinenbau and HV Kohle. The total amount which must in addition be delivered from overproduction is as follows:

1.	Sheets (Platinen)	1,500 tons	(Order No. 1)
		4,500 "	HV Maschinenbau
2.	Billets (Knüppel)	7,300 "	for Hennigsdorf(because of lack of trio mill)
		5,000 "	Polish export
		17,000 "	HV Maschinenbau (forge and pressing mill)
		3,000 "	HV Kohle
		15,000 "	SAG Thale (according to estimates of Maxhütte)

To what extent the unreported total requirements of semi-finished products must be satisfied by us, cannot be determined as yet. According to Herr Bolench, we should no longer consider these requirements. However, this is not the final solution. Only to a limited extent is it possible to apply Herr Majet's suggestion that the forge and pressing mills procure raw steel in blocks, divide these up in pieces, and use the raw material (Vormaterial) for the smelting plants.

3. Forged Ingots (Schmiedeblöcke) - Up to the present it has not been possible to

obtain concrete data on the total requirements of forged ingots, as far as these needs, to be satisfied by our plants, are concerned. At the moment it it is possible for us to cast forged ingots only in very small volume, not only because of oven technique, but also because of lack of space and lack of casting moulds (Kokillen). How much of an increase is possible, still cannot be ascertained. This great amount of steel must also come from overproduction.

4. Rails (Schienen) - According to Herr Bolarchinov, from April 1949 on, Maxhütte is to deliver to SAG Wismut 250 tons a month of the 1,000 tons of mine rails which the Maxhütte has produced over its quota. In addition, the HV Metallurgie's requirements of normal rails and of mine rails are to be covered in the amount of about 3,500 tons from production in excess of quota.

It is unlikely that it will be possible for us to produce these considerable amounts of raw and milled steel over and above the plan.